



## PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (June 2004)**

(Implements RCW 34.05.310)  
Do NOT use for expedited rule making

**Agency:** Department of Revenue

**Subject of possible rule making:** WAC 458-20-185 Tax on tobacco products

**Statutes authorizing the agency to adopt rules on this subject:** RCW 82.32.300 and 82.01.060(2).

**Reasons why rules on this subject may be needed and what they might accomplish:** WAC 458-20-185 (Rule 185) provides tax-reporting information to persons who sell, use, handle, possess, transport, store, or distribute tobacco products. The rule explains who is liable for the tax, how and when the tax imposed by Chapter 82.26 is to be paid, and the record keeping requirements.

The Department anticipates revising Rule 185 to update existing information and incorporate significant legislative amendments to Chapter 82.26 RCW. As part of this process, the Department is also reconsidering the allowance of credits for tobacco products tax previously paid on products that are sold to federal government entities or by non-Indians to Indian tribal entities for resale. The Department believes these credits may not be authorized by current statute, and invites comments on this issue.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** While the Department of Revenue has the exclusive authority to administer the tobacco products tax program, the Liquor Control Board has primary authority for enforcement of the tobacco products tax laws. The Department has and will continue to consult with the Liquor Control Board during any rule-making activity.

**Process for developing new rule (check all that apply):**

☐ Negotiated rule making

☐ Pilot rule making

☐ Agency study

☒ Other (describe) Parties interested in this rule making may contact the individual listed

below. The public may also participate by providing written comments throughout this rule making or giving oral testimony at the public meeting or public hearing.

**How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:**

Written comments may be submitted by mail, fax, or at the public meeting. Oral comments will be accepted at the public meeting. A preliminary draft of possible rule changes is available for viewing and printing on our website at: <http://dor.wa.gov/content/laws/RuleMaking/default.aspx>. Written comments on and/or requests for copies of the rule may be directed to: Margaret J. Partlow, Interpretations and Technical Advice Unit, P. O. Box 47453, Olympia, WA 98504-7453; e-mail: [margaretpa@dor.wa.gov](mailto:margaretpa@dor.wa.gov); phone: (360) 570-6123; FAX (360)586-5543.

**Public meeting location:**

Capitol Plaza Building  
4th Floor Executive Conference Room.  
1025 Union Avenue SE  
Olympia, Washington

**Assistance for persons with disabilities:**

Contact Sandy Davis no later than 10 days before the meeting date. TTY 1-800-451-7985 or (360) 725-7499.

**Date:** June 28, 2006 **Time:** 1:30 p.m.

**Date**

**Name (type or print)**

Alan R. Lynn

**Signature**

**Title**

Rules Coordinator

**Filed: May 24, 2006**

**Time: 9:49 a.m.**

**WSR: 06-11-169**

**The above information was input by DOR**